

## What America Needs Most Is A Good Compulsory Health Insurance

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*Audiatur et altera pars.*

*(Let us also hear the other party.)*

NOTHING illustrates the health insurance situation in the U. S. A. better than a "Letter to the Editor" in the Saturday Evening Post of August 7, 1954, page 4, by Gerald A. Homp of Peking, Illinois, about the National Foundation (poliomyelitis):

I can testify to the great work they do, since I spent five months in an iron lung, a year in the hospital and had extensive out-patient treatment with the Foundation footing most of the bill. Indirectly, they saved my life and my home. *I could never have met the staggering hospital and therapeutic costs alone.* (Authors' italics.)

Such deplorable cases number in the millions in the United States as every practicing physician can testify. In the above case the National Foundation paid the staggering bills. But what would have happened if the foundation did not exist or would not have heard of Mr. Homp or would not have had the money? Mr. Homp would have been compelled to take a mortgage on his house or sell it, to sell his car and all his valuables or he could have resolved to die rather than to bankrupt his family. And this because he never thought of the possibility of his illness and never put money away for such an emergency. He and most Americans buy a house, a car, a refrigerator, television sets, they smoke and drink, they pay for their baseball or football tickets, but when it comes

to health—the most important asset in life—there should be somebody else to foot the bill.

Some other illustrative cases:

A couple in Tacoma, Washington, offered to sell an eye apiece to raise cash for their son's medical expenses, who was dying of leukemia. (Cleveland Press, August 11, 1953.)

Sandy needs help for treatment of polio by an iron lung. (Cleveland Plain Dealer, August 20, 1954.)

Collect fund for injured Mailman who was injured in a fall at work. His neighbors recognized that their mailman faces mounting medical bills. (Cleveland Plain Dealer, December 15, 1955.)

Katrina Steinmetz, 2 years old, had a cancer of the eye. A committee started a campaign to collect money for treatment bills.

Elizabeth Webber, a 17 year old Wickliffe High School girl, was seriously injured in an automobile accident. The Wickliffe Civic League raised money by door-to-door canvassing to pay the high costs of treatment. (Cleveland Plain Dealer, March 22, 1955.)

A Pinkerton guard was accused of stealing tires from a store he was assigned to guard. He admitted the theft and explained he had to raise some money to defray medical bills. (Cleveland News, July 6, 1955.)

"A jobless Illinois father bending under the weight of medical bills was jailed yesterday less than 30 minutes after the bold one-man hold up of Citizens Bank in Marion, Arkansas."

To sum it up, Rep. Usher L. Burdick, Republican, N. D., said recently that "a poor man cannot afford to be sick under the present hospital and medical practices." (Cleveland Plain Dealer, July 31, 1958).

Why do such deplorable situations arise so often? Because, many Americans are against a *compulsory* health insurance program calling it socialized medicine and have not the common sense to put money aside for medical care in times of good health.

Many are against so-called socialized medicine. They object to government interference. But, what do you call the government's farm program? In the fiscal year 1954-55 the support of prices and farm income has cost the taxpayers an estimated \$962,000,000. (Plain Dealer, June 29, 1955.) This is not government intervention? Do you call

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The views expressed are his own and represent no position of the National Medical Association.

it socialized farming? Of course not, this is all right in spite of the fact that much of this staggering amount goes to rich people. This is not "creeping socialism", but a compulsory health insurance to help the poor to get medical care is socialized medicine! Do not forget that 11 per cent of the nation's workers earned in 1953 less than \$1000 a year. There are also the unemployed! And, how do you call tax subsidies paid to big companies? In 1952 \$1,041,000,000 went to coal, iron and airline companies (Cleveland News, October 16, 1953). Also the sale of government property to private business at very low prices is another form of subsidy. But all this is not creeping socialism, only compulsory health insurance is socialism, if not outright, the beginning of a socialized economy. So say its enemies.

The United States of America is the richest country in the world and has the highest standard of living, nevertheless, a prolonged disease or an emergency operation means a financial catastrophe for about 100 million citizens.

#### COMPULSORY HEALTH INSURANCE IS NOT SOCIALIZED MEDICINE

Some years ago a clever business promoter called the compulsory health insurance "socialized medicine" counting on the dislike of the average American for anything smelling of socialism. This made a great hit with the enemies of compulsory health insurance. But it is not true as every intelligent person should know. Socialized medicine exists *only* behind the Iron Curtain. There everything connected with medicine belongs to the government, unions or cooperatives: the hospitals, sanatoria, dispensaries, medical schools, pharmacies, pharmaceutical factories.

Compulsory health insurance is something else. Even Great Britain has many private hospitals, private pharmacies, doctors. They have private practice and the choice of joining the national health insurance plan.

The first compulsory health insurance law was introduced in Germany in 1881 by Bismarck. To suspect Bismarck of doing something socialistic is like calling Hitler a humanitarian. Bismarck was a fervent anti-socialist and the author of the so-called "Socialist Law" of 1878, and yet he organized the first compulsory health insurance!

Austria followed with laws in 1887, 1894, and

1909; Norway 1894, 1906, 1908, and 1911; Finland 1895; Italy 1898 and 1904; France 1898; Holland 1901, 1902, and 1908; Greece 1901; Hungary 1909; Serbia 1910; Luxemburg 1911; Switzerland 1911; England 1911; Rumania 1912; Russia 1912; Sweden 1913.

All the above countries had compulsory health insurance before the First World War. No other civilized country is today without a compulsory health insurance, each fitting the special needs of its population. The exception is our rich U. S. A.

Further, comprehensive medical care can be furnished by a private enterprise insurance company but it is too expensive for the average citizen. In fact it would be so expensive that most of the 120 million Americans of the low income bracket could not afford it. It is not enough to be insured against hospital bills. More, many more patients need only ambulatory services to incur their bills. These bills and the bills for drugs are not completely covered by most of the private insurance plans.

Professor Sir Lionel E. H. Whitby, vice-chancellor at Cambridge, (England) said that the patient also must now have many doctors, not one. The cost of serious illness is far beyond the purse of the average person. What is true for England, is also true for the U. S. A.

#### PERIODIC MEDICAL EXAMINATIONS

Nothing demonstrates better the necessity of a compulsory health insurance than the following statement from a little pamphlet about *Cancer of the Digestive Tract*, edited by the United States Department of Health, Education and Welfare:

Unfortunately, this thorough kind of examination of the stomach and the esophagus for cancer is both *expensive and time consuming*. . . . Many busy physicians find it difficult to give too much time to an individual patient. Often, too, they or the patients are reluctant to incur the expense involved, merely on the basis of a vague suspicion. Yet, *only in this way* can these cancers be found in their early, curable stages.

But what about preventive medicine? This means a yearly checkup of every person over 30 and twice a year for every woman over 30 with regards to the female organs to detect a possible cancer of the cervix or uterus in the beginning to prevent it from growing so that it becomes incurable. All this costs money, much more than the average American can afford or is willing to pay.

The Americans act like children when it comes to buying luxuries. They can have it on credit even if they do not have the income. They buy everything but rarely save *voluntarily* for medical expenses. So, they must be forced to do it as the government forces them to pay taxes in advance, they cannot even lay their hands on the whole pay check. The government does not trust them—the taxes are deducted from the wages by the employer. Otherwise, there would be hardly any money left for taxes. Therefore, the health insurance must be compulsory. The employer will deduct the corresponding amount and transfer it to the account of the compulsory health insurance.

#### WHAT KIND OF COMPULSORY HEALTH INSURANCE?

Every country has its own compulsory health insurance according to its special need. So, the U. S. A. would have a plan different from those of Britain or Austria. The people who will be insured and have to pay for it, will decide the form and organization. Only the needy ones will be insured to a certain income level. The established maximum could be \$3000 as an example for a single man and for each dependent this basis maximum could be raised by \$600. A man with five dependents could have an income of \$6600 and still be insured. It's up to the legislation to establish the maximum eligible income. According to Medical Economics of January, 1957, the minimum family income levels for a "modest but adequate standard of living, were highest in San Francisco (\$4,532) and lowest in Scranton, Pennsylvania (\$4,010). Twenty per cent of the nation's 43 million families have incomes under \$2000. Nearly 7 per cent had incomes under \$1000. Sixteen million families, about 36 per cent, were in the \$2000 to \$5000 bracket. (Cleveland Plain Dealer, Oct. 3, 1955.) All these are in great need of a compulsory health insurance. All families with a higher income would still have the choice to buy private health insurance of their own choice. If the income falls to the legal established level for Compulsory Health Insurance, they would automatically be eligible for it and covered according to law. The money paid to a Compulsory Health Insurance by people who become ineligible because their income raises above the legal maximum would not be lost for the nation's health

care as in the case of privately provided health insurance.

#### WHY COMPULSORY HEALTH INSURANCE AT ALL?

"Doctor, I can not pay the three dollars (or four or five) today (beginning of the week), I get my pay check next Friday?" "Why not?"

"I have only a little spending money left till pay day?" "But why do you not have a reserve for emergencies?" And now starts a shorter or longer conversation about the high cost of living and especially doctors care and expensive drugs ending mostly with the patients comment that, "What America Needs Most is a Good Compulsory Health Insurance." The private health insurance is too expensive as explained before and does not cover all medical necessities. The prime aim of the private insurance companies is to make money, taking care of the medical bills is only the means to achieve profit. In compulsory health insurance the health of the working people is the main purpose!

#### WHY A COMPULSORY AND NOT A VOLUNTARY HEALTH INSURANCE?

Compulsory health insurance provides comprehensive coverage of *all medical costs* no matter where incurred, in the hospital or in a doctor's office without any age limitations. Such comprehensive coverage can rarely be provided by a private health insurance at moderate expenses. They merely pay part of the bills—if they do—and do not care for adequacy of medical care. They are in the field of health insurance to profit and not primarily for the benefit of the insured. The moment the business point turns to their disadvantage they try to dissolve the partnership. This happened to the author of this article. One day a very cheerful friendly letter returning his last check came which told him that the insurance company concerned enjoyed very much our mutual relations but there are not enough people in my group of my age to make the insurance profitable. Therefore, the policy is hereby cancelled, for it meant all money paid in previous years was lost for me because I never had a serious illness.

Sure, many Americans are voluntarily insured against sickness—103 millions according to an editorial in the Cleveland Plain Dealer (February 2, 1955). They are covered by some form of

health insurance against hospital expenses. Some form means they are *only partly* insured. So, to be on the safe side 88 millions of them carry surgery expense coverage, 47 million medical expense protection, 38 million guaranty against loss of income due to disability. As can be seen, many of these 103 millions are not sufficiently insured. To be completely covered against acute or chronic illness on a private and voluntary basis requires such a high amount of money that only rich people can afford it. But—40 per cent of our population have no insurance at all! For this group any emergency operation or chronic disease can mean a financial catastrophe. The satisfactory feeling of being insured against this financial catastrophe by buying some of the widely recommended policies is based on very shaky grounds. Read carefully the information submitted by your insurance company. Only one example: Bankers Life and Casualty Company will pay you up to \$250.00 for surgery, up to \$150.00 for doctors visits, up to \$15.00 per day for 100 hospital days and pays specified amounts for x-rays, laboratory, drugs, dressings, and so on. But—the minimum costs of a semi-private room at a hospital in Cleveland are \$21.00 per day. All round nurses care costs \$30.00 a day! Don't forget the "up" in all the mentioned specifications. As long as you are alright or have only minor illnesses it's fine, but if you or your family need one or more major operations or if you have a chronic disabling disease your insurance policy is not enough to cover all expenses if the insurance company retains you as a member at all. Very often they use one of their stipulations and cancel your policy. You are out at a time you need the insurance most!

The Federal Trade Commission mentions (J.A. M.A., January 2, 1954, page 14) that about 800 companies sell accident and health insurance; in 1952 they received \$1,883,999,724.00 in net premiums. I do not know how much of this tremendous amount goes for non-medical expenses as management, salesmen advertising and profits. Some of these are not necessary in compulsory health insurance as salesmen and advertising; this means more for medical expenses.

Another advantage never mentioned in discussing the compulsory health insurance is security for younger doctors who enter medical practice. They are from the beginning assured of an adequate

income through their insurance patients.

But, if a doctor does not want to work for the compulsory health insurance he is not forced to do it. It would be the same as today with Workmen's Compensation. The doctors join voluntarily.

The immense costs for modern medicaments are out of reach for an average patient. The compulsory health insurance would act as a consumers group with the buying power of many millions. The costs of drugs could be cut by at least 50 per cent by wholesale buying.

Profits will be excluded in compulsory health insurance because of the non-profit character of the organization. And if there should be a surplus it will serve as a reserve and support of research, hospitals, and medical schools.

Blue Shield plans had in 1955 operating expenses of 10.8 per cent. Massachusetts Medical Service reported operating cost of 5.95 per cent. New Hampshire-Vermont Physicians Service had 7.37 per cent expenses. But, these organizations are exceptions. Most of the companies which sell health insurance have much greater expenses and profits too.

Of course, the affected parties—salesmen, advertising agents, newspapers, drug manufacturers, druggists and many physicians—will cry to high heaven because they feel their vested interests are violated. This may be so, but every progress of mankind harms some groups and compulsory health insurance will not be an exception.

#### FREE CHOICE OF DOCTORS

In a free society everybody should have the right to choose his doctor. Of course, he can do it only if he has the money to pay his chosen doctor. But how many Americans are so well off? Most of the farmers cannot do it because they have not much choice when only a few doctors are available to them due to the distance they have to go to reach him. Then also arises the question of ability in a case of major surgery or special treatments and finally the question of money to be spent and time lost with traveling.

As a whole the question of free choice of doctors is overplayed by the enemies of compulsory health insurance. Most of the factory workers have the choice but not the time to take off from work; this means loss of wages. So, he takes the factory

doctor or the nearest one. In fact, free choice of doctors is not so important as it is made for propaganda purposes. Most of the Americans have not free choice and still, they get the treatment they can afford and are mostly satisfied. Free choice of doctors is not necessary to develop a confidential relationship between doctor and patient. How does the patient choose his doctor? Often by recommendation through relatives or friends or through some hearsay about the special ability of a doctor. How can the patient judge the professional ability of the chosen doctor? That a doctor develops a great practice does not mean that he is great as a diagnostician or therapist. Even the quacks—and especially the quacks!—acquire a great reputation because they claim marvelous cures by making the patient feel very sick even if he isn't and then proclaim him after their hocus-pocus as cured. The African native bush doctors cure most of their patients! So, don't get excited if compulsory health insurance gives you only a limited choice—you will still get a well trained reliable doctor and be sure that quacks will be eliminated. After all even such a doctor is better than none. And at the time being many millions of Americans have no doctor at all because there are too few doctors available for poor people who cannot pay even a small fee because they have no money. Even in compulsory health insurance it could be made possible for the insured to have the doctor of his choice if there would be a provision that the compulsory health insurance pays its regular fee and the patient the difference to match his doctor's demand.

#### THE DANGER OF CHEATING

One often heard objection to a compulsory health insurance is that many Americans would try to take advantage of it by pretending diseases if they want to stay home, they would prolong the treatment, ask for unnecessary medicaments and so on. In my experience the morals of the Americans are not worse than everywhere else in the world. Most of the people are honest. Of course, a little cheating in taxes is not regarded as dishonest especially if somebody can get away with it. In the same class are whiskey selling on Sundays, illegal gambling or betting and many

other things. These are not regarded as illegal in spite of laws. By proper organization, education, and control it could be kept down to a minimum in compulsory health insurance.

Some object that also doctors would try to cheat. What was said before with regard to the people the same can be said about doctors. They are as a whole honest and trustworthy. Of course, they are only human and some exception toward the immoral has to be expected. Here also efficient supervision can prevent too much cheating.

There could be means devised which are able to cut down the unnecessary visits to doctors known in all countries with compulsory health insurance. The estimate varies but it is assumed that 50 per cent of all visits would not be made if the patient had to pay for them. Education in this regard seems to be not too effective as experience shows, people are too egocentric to regard the common health more important than their own person. But they would be induced to omit unnecessary visits to doctors by a system of premiums. If the insured does not see a doctor or ask for a prescription for one whole year he could get, to give an example, 5 per cent of his premium back or in a case of 5 years without having made no demand of medical advice he could get a free vacation or similar rewards.

Another method would be to have the patient pay at each visit a small amount, in this case the regular contribution could be kept lower, a small amount would be paid to the doctor and double as much for night visits. It can be expected that many visits for minor ills like colds and headaches would be omitted even if the amount would be so low as 50 cents.

On the whole no matter what the enemies of compulsory health insurance say and do, *it has to come* sooner or later. The sooner the better. The only civilized country in the world without a compulsory health insurance is the U.S.A. and if it will be introduced against the doctors as it was all over Europe, politicians will take over to the disadvantage of the doctors. It has to come, no matter what the enemies of compulsory health insurance say or write or do. It seems better to have it organized by the doctors or with the help of doctors than without them.